

## Bora Research - Weekly Market Review (28-July-23)

### WEEKLY MARKET HEADLINES

- **Central Bank increases monetary policy rate (MPR) to 30.0%;** The Bank of Ghana raised its benchmark MPR by 0.5% to 30% during its July 2023 meeting. This surpasses market forecasts of 29.5%, bringing borrowing costs to the highest level since records began in 2000 amid indications of rising inflation, amongst others. (BoG)
- **Government revenue and expenditure hit GH¢ 44.9bn and GH¢ 59.5bn respectively in first five months of 2023;** Consequently, the overall broad cash deficit for the same period was 1.8% of GDP, a notable decrease compared to the initially projected target of 4.0% of GDP. This positive deviation in the fiscal deficit highlights potential improvement in fiscal consolidation efforts. (MPC)
- **Ghana builds US\$1bn reserves in six (6) months;** Ghana's Gross International Reserves (excluding encumbered assets and petroleum funds) improved to US\$ 2.35bn, equivalent to 1.1 months of import cover, compared with US\$ 1.44bn (0.6 months of import cover) recorded at the end of December 2022. (BoG)

### FIXED INCOME MARKET

- The short-term government bills edged up further at this week's auction, subscribed at 102.31%.

Government of Ghana Treasury Bill Rates (%)				
Instrument	28 Jul 23	21 Jul 23	WoW	YTD
91-Day	25.24	24.92	▲ 1.29%	▼ -29.21%
182-Day	27.15	26.81	▲ 1.27%	▼ -24.48%
364-Day	30.31	30.05	▲ 0.87%	▼ -15.62%

Bora Purchase Rates for Clients		
Instruments	Min. Yield (%)	Max. Yield (%)
0 - 91 days	24.95	26.00
Under 182 days	24.12	26.90
183 - 364 days	29.00	30.05

### EQUITIES MARKET

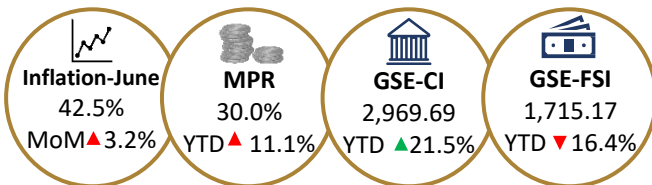
- The stock market continued its bullish run at the end of this week's trading session, with the composite index inching up by ▲ 3.45%;
- Trading values and volumes were also higher compared to the previous week's levels;
- GGBL (▲ 9.91%; GH¢2.55) led the price gainers whereas there were no price laggards.

### UPCOMING EVENTS

📅 Mid-year Budget Review | July, 2023

\* **WoW** – week on week    **MoM** – month on month    **YTD** – year-to-date

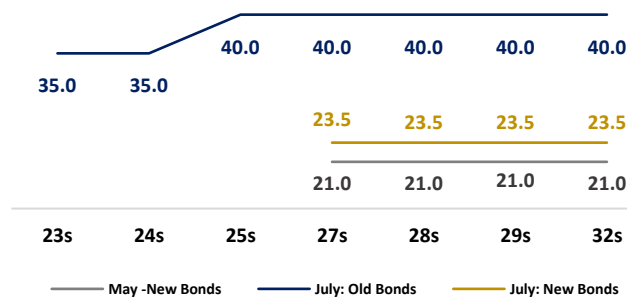
### KEY ECONOMIC INDICATORS



### TREASURY YIELD CURVE

- Yields on both the old and new bonds remained steady over the past week. Trading volumes were however about 65% and 44% higher as compared to previous week's levels on the new and old bonds respectively.

Yield Curve

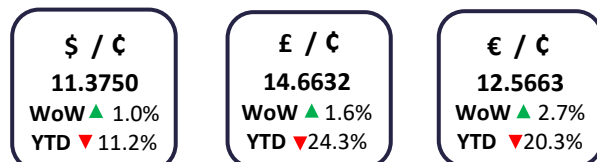


### COMMODITIES

- Crude prices has posted four consecutive weekly gains on an expected tightening of supply because of output cuts by the OPEC and renewed bullishness on the outlook for Chinese demand and global growth.



### CURRENCIES



Source: Bloomberg, xe.com

### QUOTE OF THE WEEK

“Stewarding capital is about turning seeds into forests.” - Hendrith Vanlon Smith Jr